

Figuring out your monthly budget: income, spending, and saving

Being single in the United States is expensive. Many widows see a 50% reduction (or more!) in income once a spouse cannot work due to illness or death. Furthermore, housing and household expenses are often significantly higher for single people, as there is no one to 'split the costs' with.

- When you can no longer file a joint return, which carries a significant tax bonus, you may see higher income taxes. You may be able to claim a 'qualifying widow' designation for up to two years - check with a CPA for eligibility and an outline of benefits.
- Your Social Security benefits may also be affected by your tax filing status.



After my husband passed, it was a surprise to realize that what he had was all I have now. It was a real shock to me to think there is no more money coming in."

~ Susan

How To: Figure out a monthly budget

Budgeting and cash flow management can be critical disciplines that can help you save and preserve wealth over your lifetime. There is a quick way to estimate your monthly spending rates:

- Begin with your gross income.
- Subtract taxes paid and subtract savings: the result equals your annual spending.
- Divide by 12 to see your monthly available cash.

Break out your fixed expenses (mortgage payments, taxes, insurance, utilities, etc.) and identify your variable expenses. Your variable expenses are where you have room to make adjustments.

Your financial advisor can work with your CPA to build a comprehensive spending analysis, covering estimates for core living expenses, variable expenses, debt, etc., accounting for inflation, and create a plan of action to help guide you in your spending and saving goals.

TIP:

Many credit card issuers provide an annual spending summary which breaks down your expenditures into categories - this can be a helpful budgeting tool.

OTHER TOPICS

- Documents you need to collect and where to get them
- Meeting with your support team for the first time
- Putting a new estate plan in place

RESOURCES

["How do I estimate my spending?"](#)